Government of Saskatchewan

Annual Report 1990-91

The Saskatchewan Beef Stabilization Board

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Saskatchewan Beef Stabilization Board Annual Report 1990-91

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Saskatchewan
Beef
Stabilization
Board

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Saskatchewan Beef Stabilization Board

To Her Honour,
The Honourable Sylvia O. Fedoruk, O.C., S.O.M.
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to submit herewith the Annual Report of the Saskatchewan Beef Stabilization Board for the twelve months ending March 31, 1991.

I have the honour to be, Madam,
Your obedient servant,

Bernhard H. Wiens

Honourable Bernhard H. Wiens,
Minister of Agriculture and Food

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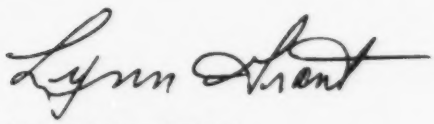
Saskatchewan Beef Stabilization Board

Honourable Bernhard H. Wiens
Minister of Agriculture and Food
Province of Saskatchewan

Sir:

I am pleased to present herewith the Annual Report of the Saskatchewan Beef Stabilization Board for the twelve months ending March 31, 1991.



Respectfully submitted,
Lynn Grant, Chairman
Saskatchewan Beef Stabilization Board

Saskatchewan
Beef
Stabilization
Board

Board Personnel 1990-91

Board of Directors

Mr. Lynn Grant, Chairman ..... Val Marie
Mr. Brian Perkins ..... Saskatoon
Mr. Bob Brady ..... Carlyle
Mr. Keith Howse ..... Pangman
Mr. Jim McGregor ..... Senlac

Staff

All Board staff were transferred to the Tripartite Beef Administration Board effective September 1, 1990.

Saskatchewan
Beef
Stabilization
Board

1990 - 1991 Report

This report covers the 1990-91 fiscal year of operation of the Saskatchewan Beef Stabilization Board.

TERMINATION OF PLAN

In January 1989, the Province of Saskatchewan announced they would be entering the National Tripartite Stabilization Program for Beef and that the existing Saskatchewan Beef Stabilization program would be phased out. The Cow Calf to Finish Market Insurance Plan was phased out on March 31, 1990 and the Feeder Finish Market Insurance Plan was phased out on September 30, 1989.

FINALIZATION

The finalization plan for Saskatchewan Beef Stabilization Program called for the summarization of financial transactions within each file, evaluating options and taking the appropriate action. The Board established a finalization committee to review all outstanding accounts receivable.The Finalization Committee was chaired by Board member Keith Howse and included previous Board members Bud Morken, Errol Cochrane and Lorne Cholin. Their review was completed by year end. Staff of the finalization unit and all assets were transferred to the Tripartite Beef Administration Board when it was established September 1, 1990.

ECONOMIC STUDY

The University of Saskatchewan Agriculture Economics Department continued its study on the impact of the red meat industry on the economy of Saskatchewan. The study is being carried out in conjunction with the Saskatchewan Pork Producers Marketing Board and includes a section on the economics of scale and the cost of production for the beef and pork industries. The study is scheduled to be completed by June 1991.

Saskatchewan
Beef
Stabilization
Board

Saskatchewan Beef Stabilization Board

Financial Statements
Year ended March 31, 1991

Office of the Provincial Auditor
Regina, Saskatchewan

Saskatchewan
Beef
Stabilization
Board

Auditor's Report

To the members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Saskatchewan Beef Stabilization Board as at March 31, 1991 and the statement of revenue, expenditure and surplus and changes in cash position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

W.K. Strelioff

Regina, Saskatchewan
July 15, 1991

W.K. Strelioff, C.A.,
Provincial Auditor

Statement 1

Saskatchewan Beef Stabilization Board
Balance Sheet
March 31

		1991		1990
ASSETS				
Current assets:				
Cash		$ 2,589		$1,056,371
Short-term investments		—		2,062,726
Accounts receivable:				
- Accrued interest		157		51,882
- Due from Tripartite Beef Administration Board		474,631		—
- Miscellaneous		3,170		13,741
		480,547		3,184,720
Fixed assets (Notes 1(b) and 4)		—		50,807
Producers' trust fund assets:				
Cash	$21,049		$ 11,493	
Accounts receivable	458		112,977	
Due to Cow Calf to Finish Market Insurance Plan	1,533	23,040	14,600	139,070
Tripartite Stabilization Trust Fund Assets:				
Cash	—		1,233,774	
Accounts receivable:				
- Producers (net of allowance)	—		398,040	
- Other	—	—	33,641	1,665,455
		$503,587		$5,040,052

Liabilities and Equity

Current liabilities:				
Accounts payable		$ 12,842		$ 158,009
Deferred revenue:				
- Department of Agriculture and Food		—		227,429
Producers' trust fund liabilities:				
Due to producers	$ —		$ 110,505	
Due to Feeder Finish Market Insurance Plan	4,390		65	
Other	18,650	23,040	28,500	139,070
Tripartite Stabilization Trust Fund Liabilities:				
Department of Agriculture and Food	—		422,294	
Agricultural Stabilization Board	—	—	1,243,161	1,665,455
Equity:				
Surplus (Statement 2)		467,705		2,850,089
		$503,587		$5,040,052

(See accompanying notes to the financial statements)

Statement 2

Saskatchewan Beef Stabilization Board
Statement of Revenue, Expenditure and Surplus

For the Year Ended March 31

	1991	1990
Revenue:		
Department of Agriculture and Food - administration grant	$ 617,933	$1,810,549
Interest	159,721	1,063,634
Marketing fees	—	367,788
Insurance commissions	—	32,577
Miscellaneous	24,381	3,121
	802,035	3,277,669
Expenditure:		
Salaries and employee benefits	510,351	1,183,684
Office supplies	52,792	186,020
Computer services	42,935	169,490
Communications	38,824	149,481
Investigations	34,845	25,052
Accounting and legal	25,999	72,687
Computer maintenance	17,331	26,221
Directors' honoraria and travel	13,875	84,722
Travel and sustenance	11,222	52,702
Bank charges	6,403	12,150
Consultant	4,910	—
Advertising and promotion	4,511	58,628
Amortization and depreciation	4,096	136,649
Bad debt expense	4,123	—
Repairs and maintenance	3,297	11,552
Miscellaneous	2,512	19,471
Collection agency fees	2,388	—
Delivery	2,161	14,746
Loss on disposal	1,365	—
Dues and subscriptions	1,215	16,725
Compliance per diem and travel	908	4,562
Research	—	78,516
Producer information	—	2,250
Fieldmen per diem and travel	—	286
	786,063	2,305,594
Excess of revenue over expenditure	15,972	972,075
Surplus, beginning of year	2,850,089	1,878,014
	2,866,061	2,850,089
Payment to Consolidated Fund (Note 5)	(2,398,356)	—
Surplus, end of year (Statement 1)	$ 467,705	$2,850,089

(See accompanying notes to the financial statements)

Statement 3

Saskatchewan Beef Stabilization Board
Statement of Changes in Cash Position

For the Year Ended March 31

	1991	1990
Cash provided by (used in) operations:		
Excess of revenue over expenditure	$ 15,972	$ 972,075
Add charges to operations not requiring an outlay of cash:		
Amortization and depreciation	4,096	136,649
Loss on Disposal of fixed assets	1,365	—
	21,433	1,108,724
Net change in non-cash working capital	(784,931)	536,577
Cash provided by operations	(763,498)	1,645,301
Cash (used for) provided by capital transactions:		
Payment to Consolidated Fund (Note 5)	(2,398,356)	—
Cash used for capital expenditures	(33,576)	(46,569)
Proceeds from sale of fixed assets	78,922	—
	(2,353,010)	(46,569)
(Decrease) increase in cash	(3,116,508)	1,598,732
Cash position, beginning of year	3,119,097	1,520,365
Cash position, end of year	$ 2,589	$3,119,097

(See accompanying notes to the financial statements)

Saskatchewan Beef Stabilization Board
Notes to the Financial Statements
March 31, 1991

1. **Significant Accounting Policies**
These financial statements have been prepared in accordance with accounting policies that are considered appropriate for organizations of this type. The significant accounting policies are as follows:

   (a) Revenue Recognition
   Marketing fee revenue is recognized on the basis of slaughter date.

   (b) Fixed Assets
   Equipment, leasehold improvements, and computer hardware are recorded at cost less accumulated depreciation; maintenance and repairs are charged against operations as incurred.

   Equipment is depreciated over its estimated useful life on the diminishing balance method at 20% per annum.

   Leasehold improvements are amortized over the life of the lease.

   Computer hardware is depreciated over its estimated life on the straight-line method at 20% per annum.

   (c) Producers' Trust Fund
   The Producers' Trust Fund was established to collect funds from the sale of producers' cattle to the packing plants and to segregate these funds into amounts held for producers, truckers/assemblers, insurance, stabilization levies and marketing levies and to make payments or transfers to these groups as appropriate.

   (d) Tripartite Stabilization Trust Fund
   The Tripartite Stabilization Trust Fund was established to collect premiums from producers and forward the funds to the Federal Agricultural Stabilization Board. Premium receivables are recorded on the date they become payable to the Board. Effective September 1, 1990 the Tripartite Stabilization Trust Fund was transferred to the Tripartite Beef Administration Board.

2. **Incorporation**
The Board was established under The Beef Stabilization Act 1980-81, C. B-0.1 and commenced operations on January 1, 1982. The Board's main function is to market beef on behalf of producers and to administer the Cow Calf to Finish Market Insurance Plan and the Feeder Finish Market Insurance Plan.

   The Board has also undertaken the delivery of the Tripartite Beef and Honey Stabilization Programs. This function was transferred to the Tripartite Beef Administration Board effective September 1, 1990.

3. **Cow Calf to Finish Market Insurance Plan and Feeder Finish Market Insurance Plan**
The Board administers the above plans which form part of The Saskatchewan Agricultural Returns Stabilization Fund established under Section 5 of The Saskatchewan Agricultural Returns Stabilization Act. Stabilization transactions are therefore included in the financial statements of The Saskatchewan Agricultural Returns Stabilization Fund.

   The Feeder Finish Market Insurance Plan was discontinued effective October 1, 1989 and the Cow Calf to Finish Market Insurance Plan was discontinued effective March 31, 1990.

4. **Fixed Assets**
The net book values are as follows:

	1991 Net Book Value	1990 Net Book Value
Office equipment	$ —	$39,421
Leasehold improvements	—	8,670
Computer hardware	—	2,716
	$ —	$50,807

The Board sold all fixed assets, at net book value, to the Tripartite Beef Administration Board effective September 1, 1990.

5. **Payment to the Consolidated Fund**
The Board paid the Consolidated Fund $2,398,356 which represents a partial payment of the surplus remaining after the Feeder Finish Market Insurance Plan and Cow Calf to Finish Market Insurance Plan were discontinued.

6. **Related Party Transactions**
   (a) Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan-controlled departments, agencies and corporations with which the Board is related.

Account balances resulting from these transactions are included in the Balance Sheet and are settled on normal trade terms.

(b) Costs borne by other agencies
The Board has not been charged with certain occupancy costs and no provision for these costs is shown in the financial statements.

7. **Contingency**
The Saskatchewan Beef Stabilization Board has been named as a defendant in a law suit. The outcome of this law suit is not determinable at this time. Any payment arising from this law suit will be a charge on operations of the Board in the year in which it is settled.

A possibility exists that the Saskatchewan Beef Stabilization Board will be named as a defendant in another law suit. The outcome of this possible law suit is not determinable at this time. Any payment arising from this possible law suit may be a charge on operations of the Board in the year in which it is settled.

8. **Significant Event**
The Tripartite Beef Administration Board was established under the provisions of the Farm Financial Stabilization Act 1989-90 C.F-8.001 to administer the National Tripartite Honey and Beef Stabilization Programs as of September 1, 1990. Effective September 1, 1990 The Saskatchewan Beef Stabilization Board transferred all its fixed assets in the amount of $77,723 and contractual obligations of the Tripartite Stabilization Trust Fund to The Tripartite Beef Administration Board.

9. **Comparative Figures**
Certain 1990 balances have been reclassified to conform with the current year's presentation.